

And they came. They came from Georgia and Alaska. They came from North Carolina and Alabama. They came from 47 States in the Union. Out of the devastation of these fires came the tremendous courage and help of thousands of Americans who worked valiantly throughout this tragedy.

In total approximately 7,000 firefighters risked their own lives to save the lives and homes of the people of Florida. Fortunately out of 170 injuries that these firefighters suffered only one was serious.

Greg Born, from Alabama, suffered the worst injuries of the firefighting effort. While in the field he was struck by a falling tree. The weight of the tree broke his arm and fractured his neck. He is still in a cast and neck brace.

To Greg and all the other brave souls that fought the wildfires in Florida I say thank you, and if your States are ever in need you can call on us. We'll be there.

To the citizens of my district who opened their homes, their helping hands, and their hearts I say "thank you"!

Ms. JACKSON-LEE of Texas. I rise today to offer my most heartfelt sympathy to the victims of the fires that are ravaging parts of Florida. Recent comments by the director of emergency management services for Brevard county seem to say it all: "This is a war."

He sounded like a soldier whose position was about to be overrun by enemy forces. "We've got fronts on the north and the south."

The destruction has already climbed into the millions. The fires have destroyed, for example, more than \$190 million of commercial timber. Drought conditions have caused more than \$135 million in damage to crops like corn, cotton, and peanuts.

Many houses and private property have been destroyed, and thousands of people have been displaced, or forced to temporarily relocate to avoid the wildfires. Recently, about 40,000 residents of northeast Florida were forced to flee in the wake of wind-swept embers as brushfires consumed—or threatened to consume—many rural areas.

In early July alone, Volusia and Brevard counties have been experiencing the worst of about 1,600 fires of varying sizes and degrees of containment that raged around the State. And, just like my home State of Texas, with no rain or lower temperatures in sight, state officials said the situation may worsen before it gets better.

Thus, in the past month, the State of Florida has suffered from an onslaught of drought and wild fires, leading to the destruction of 500,000 acres of land, 367 homes and 33 businesses, and the injury of 95 people, the majority of whom are firefighters.

H. Con. Res. 298 expresses Congress' deepest condolences to the State and people of Florida for the losses suffered as a result of the wild land fires occurring in June and July; and it expresses congressional support to the State and people of Florida as they overcome the effects of the fires.

This measure also commends the heroic efforts of firefighters from across the Nation who have traveled to Florida to battle the fires, and commends the many government agencies who have also lent their support. It is a good piece of legislation that deserves to be supported.

Mr. Speaker I urge my colleagues to adopt H. Con. Res. 298.

Mrs. FOWLER. Mr. Speaker, I have no further speakers at this time, and I

would just strongly support the passage of this resolution.

Mr. Speaker, I yield back the balance of my time.

Mr. BORSKI. Mr. Speaker, I have no further requests for time, and I yield back the balance of my time.

The SPEAKER pro tempore (Mr. BEREUTER). The question is on the motion offered by the gentlewoman from Florida (Mrs. FOWLER) that the House suspend the rules and agree to the concurrent resolution, H. Con. Res. 298.

The question was taken; and (two-thirds having voted in favor thereof) the rules were suspended and the concurrent resolution was agreed to.

A motion to reconsider was laid on the table.

GENERAL LEAVE

Mrs. FOWLER. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days within which to revise and extend their remarks on H. Con. Res. 298, expressing condolences to Florida.

The SPEAKER pro tempore. Is there objection to the request of the gentlewoman from Florida?

There was no objection.

RELATING TO THE IMPORTANCE OF JAPANESE AMERICAN RELATIONS

Mr. BEREUTER. Mr. Speaker, I move to suspend the rules and agree to the resolution (H. Res. 392) relating to the importance of Japanese-American relations and the urgent need for Japan to more effectively address its economic and financial problems and open its markets by eliminating informal barriers to trade and investment, thereby making a more effective contribution to leading the Asian region out of its current financial crisis, insuring against a global recession, and reinforcing regional stability and security, as amended.

The Clerk read as follows:

H. RES. 392

Whereas the maintenance and improvement of a very positive international relationship between the United States and Japan is vital to the two countries and to the entire global economic and trading system;

Whereas the United States-Japan Security Alliance and close economic cooperation have underpinned the security, stability, and prosperity of the Asia-Pacific region, thereby allowing that region to enjoy unmatched economic growth and development for nearly three decades;

Whereas the current financial crisis in Asia threatens the foundation of Asia's unmatched peace and prosperity, the stability of the global economic system, and related vital American security and economic interests;

Whereas, although the Government of Japan's \$128,000,000,000 economic stimulus and tax reduction package of April 24, 1998, includes numerous provisions designed to promote consumer spending and industrial growth, it is by no means clear that these measures will restore economic growth or will be targeted at the most productive sectors of the economy;

Whereas Japan's generous contributions to second line credits for the three International

Monetary Fund program countries, South Korea, Thailand, and Indonesia, totaling \$19,000,000,000, and its substantial structural adjustment loans and export credits to Indonesia, have helped contain the financial crisis, but are an inadequate alternative to a strong Japanese economy;

Whereas Japan accounts for three-fourths of the total East Asian Gross Domestic Product and therefore has the potential to help pull the region out of the financial crisis by serving as its "engine of growth", just as the United States, by being an "engine of growth" and having open markets, earlier assisted Mexico emerge from a substantial financial crisis;

Whereas a further weakening of the yen could trigger a round of competitive devaluations among Japan's Asian neighbors;

Whereas deteriorating economic conditions and ongoing financial market turbulence in Asia make it increasingly important that Japan play a leadership role in helping to restore confidence in the economic future of the region;

Whereas that regional leadership role coincides with Japan's stated goal of promoting strong domestic demand-led growth and avoiding a significant increase in its external trade surplus;

Whereas Japan's continued economic stagnation depresses the level of its imports from the United States and other countries in the Asia-Pacific region, thereby forcing its neighbors in the region to rely more heavily on their exports to the United States for growth;

Whereas weakened economic fundamentals in Japan and an accommodative monetary policy, coupled with a robust United States economy, have weakened the value of the Japanese yen against the United States dollar and therefore stimulated a rapid expansion of exports and a fast-growing merchandise trade surplus with the United States, which increased from \$48,000,000,000 in 1996 to \$55,000,000,000 in 1997;

Whereas the bursting of Japan's investment bubble in 1991 has been accompanied by protracted asset-price and balance sheet adjustments by Japanese financial institutions, leading to a scarcity of credit and weak growth;

Whereas policies favoring low interest rates had encouraged, until recently, excessive private sector lending to overly indebted enterprises in Indonesia, Korea, and Thailand, and thereby contributed to the private debt crisis in the region;

Whereas past efforts to stimulate recovery through deficit spending targeted at the construction sector have proved inadequate and failed to accomplish their desired objectives;

Whereas inadequate deregulation initiatives have failed to restore vitality to the Japanese economy, while truly significant deregulation could add as much as a percentage point or more to Japanese economic growth; and

Whereas the continued failure of the Government of Japan to properly recognize and remedy the aforementioned policies will both prolong the Asian financial crisis and contribute to the inevitable rise in the American trade deficit with Japan, thereby potentially undermining American domestic support for close economic, political, and security cooperation and coordination between the United States and Japan at a critical point in history: Now, therefore, be it

Resolved, That it is the sense of the House of Representatives that Japan should urgently undertake the following steps to enhance alliance cooperation and raise Japan to the position of regional partnership that it should enjoy by virtue of its economic size, technological achievements and its democratic political system:

(1) Undertake a broader and faster deregulation of its economy, in order to improve long-term growth prospects and promote opportunities for foreign firms, improve transparency and disclosure, reward innovation and competition, and reduce systemic risk.

(2) Further open its distribution system to eliminate exclusionary and discriminatory business practices that are not only limiting imports

but stifling economic growth and competition in Japan.

(3) Fully honor and implement its bilateral trade agreements with the United States as well as its multilateral trade commitments.

(4) Take other aggressive steps to reduce numerous barriers to imports and foreign investment and seek to lower its current account surplus to 2 percent or less of gross domestic product.

(5) Move promptly to dispose of nonperforming bank loans by disposing of nonperforming real estate and other loans and by allowing the market to determine the real value of these assets and loans.

(6) Take immediate steps to address systemic problems in the banking system, close insolvent banks, and recapitalize weaker banks with banks that have strong fundamentals and good management.

(7) Address its fiscal problems in a manner that does not jeopardize economic recovery, with an emphasis on significant and meaningful tax cuts and a comprehensive stimulus package that restores economic confidence and avoids the traditional sectorally-oriented approach of the past.

(8) Adopt all appropriate policies to strengthen the Japanese yen.

The SPEAKER pro tempore (Mr. STEARNS). Pursuant to the rule, the gentleman from Nebraska (Mr. BEREUTER) and the gentleman from Indiana (Mr. HAMILTON) each will control 20 minutes.

The Chair recognizes the gentleman from Nebraska (Mr. BEREUTER).

GENERAL LEAVE

Mr. BEREUTER. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days within which to revise and extend their remarks on H. Res. 392.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Nebraska?

There was no objection.

Mr. BEREUTER. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, the people of Japan have spoken to their government officials about the need for economic reform. It is now more important than ever that the House of Representatives send a clear and unequivocal message seconding that call for reform by unanimously approving House Resolution 392.

The House resolution emphasizes the importance of U.S.-Japan relations and stresses the urgent need for Japan to more effectively address its economic and financial problems and open its markets by eliminating informal barriers to trade and investment.

This Member introduced the resolution on March 24, 1998. The House Committee on International Relations adopted it by voice vote on June 5. This resolution's arrival on the floor is particularly timely, I would think, for, as Clyde Prestowitz said in his July 17, 1998, opinion piece in the Washington Post, "It is important that the United States and other countries move quickly to reinforce and elaborate the message of the Japanese electorate." That message, of course, was a demand for change in light of the continuing Asian economic crisis.

The Asian financial crisis represents a serious threat to the economic

growth of the United States and the global economy. Approximately one year ago, Thailand's financial crisis was described by the President of the United States and many other experts as a few small glitches in the road. Now, one year later, Japan and Hong Kong are in recession, Indonesia's 32-year leader Suharto is gone, Russia stands in desperate need of more international assistance, and the world is pleading with China not to devalue its currency.

Despite Federal Reserve Chairman Greenspan's intentional down playing of the crisis so as not to disrupt the markets further, the Asian financial crisis threat is real, significant, and unfortunately not a short-term problem. This resolution states that Japan plays a crucial stabilizing role in the Asian-Pacific region and, therefore, must make a more effective contribution to leading the Asian-Pacific region out of its current financial crisis, insuring against global recession and reinforcing regional stability and security.

This resolution notes that Japan has generously responded to the Asian financial crisis by providing \$19 billion in second-line credit to the Republic of Korea, Thailand, and Indonesia. Nevertheless, it also urges Japan to be more directly involved in helping the ailing Asian economies by opening its markets, deregulating its economy, eliminating barriers to trade, fixing its financial sector, adopting permanent tax cuts, and strengthening the yen.

Japan is the world's second largest economy and accounts for an amazing three-fourths of the total East-Asian gross domestic product. It certainly has the potential to play a leading role in pulling the region out of the financial crisis by serving as its engine of growth, or at least a second engine of growth along with the United States.

The United States' response to the Mexican crisis is a good example of how Japan could jointly serve with the United States and Europe as the engines of growth for Korea, Thailand, Indonesia and the region. The regional leadership role that this resolution calls on Japan to accept is entirely consistent with Japan's stated goal of promoting strong domestic demand-led growth and avoiding a significant increase in external surplus. Yet, Japan is in a full-blown recession, 7 years of stalemate, with zero growth projected for 1998, followed by as much as a 2 percent contraction in 1999.

Already, Japan's imports from most of its Asian trading partners have dropped substantially in the first quarter of 1998. For example, compared to the same period in 1997, Japan's first-quarter imports from Indonesia declined 46.5 percent, Japan's imports from Thailand declined 39.7 percent, and its imports from South Korea declined 38.5 percent.

These weak economic fundamentals for Japan, coupled with a robust United States economy, have already

weakened the value of the Japanese yen vis-a-vis the dollar. The weak yen has, in turn, stimulated a rapid expansion of exports and a fast-growing merchandise trade surplus with the United States, which increased from \$48 billion in 1996 to \$55 billion in 1997 and is on a record surplus pace in 1998.

Although the United States was able to almost unilaterally absorb Mexico's imports after the peso crisis, the United States simply cannot economically or politically absorb all the additional imports from the Asian-Pacific region stemming from the financial crisis. Mostly because of the Asian financial crisis, the IMF estimates that the U.S. trade deficit with the world, already at \$178 billion in 1997, could grow as much as an incredible \$50 to \$100 billion in 1998. And that is the growth, \$50 to \$100 billion.

U.S. officials representing both Republican and Democrat administrations have long called for Japan to deregulate its economy and remove informal barriers to trade. More recently, U.S. Treasury and Federal Reserve officials have called upon Japan to take the tough steps necessary to reform the financial sector of the economy. Nevertheless, knowledgeable Japan observers have been underwhelmed by the scale and scope of the proposed reforms in Japan, including the financial sector big bang and a bridge bank to close bankrupt financial institutions. To paraphrase Secretary Rubin, it is time for Japan to move beyond virtual reform to real reform.

Moreover, Japan's political leaders have stubbornly refused to abandon their export-dominated economic model while undermining Korea, Thailand and Indonesia's recovery from the Asian financial crisis. For example, Japan's current account surplus with the world has risen from \$65.8 billion in 1995 to \$93.5 billion in 1997, and is expected to exceed \$100 billion in 1998.

This resolution reinforces the administration's strategy to focus on key deregulation and competition policy initiatives in Japan. For example, it urges Japan to undertake a broader and faster deregulation of its economy, open its distribution system, and eliminate exclusionary and discriminatory business practices. These initiatives are aimed at helping highly competitive U.S. companies in sectors such as financial services, telecommunications, pharmaceuticals, construction materials, and consumer goods gain access to the Japanese consumer.

Furthermore, this resolution calls upon Japan to take other steps to reduce numerous non-tariff barriers to imports and foreign investment. It also addresses reform of the financial sector in Japan by calling upon that country to promptly dispose of non-performing bank loans while taking other necessary steps to reform the banking system.

Long before Prime Minister Hashimoto's very public wavering on tax cuts for Japanese, this resolution

stressed the need for Japanese officials to enact permanent tax cuts for individual Japanese citizens.

Finally, this resolution properly, I think, recognizes that Japan must immediately adopt all appropriate policies to strengthen the yen. An excessively weak yen threatens not only the entire Asian-Pacific region but also global trade and stability.

Mr. Speaker, the world is closely watching Japan to determine if that country's leaders can steer the world's second largest economy out of recession. The implications of their actions or inactions are enormous for Japan itself, for the regional and global economy, and for the United States. If Japan's newly elected leaders and a prime minister yet to be elected choose the right path, they can help ensure that the Asian financial crisis is a temporary setback on the road to further economic liberalization and democratization in Asia. But if they choose the wrong path, they have the potential to prolong the crisis and perhaps even contribute to a global economic slowdown that will have a significant impact on the United States and a very negative one.

Mr. Speaker, I urge my colleagues to support the resolution.

Mr. Speaker, I reserve the balance of my time.

Mr. HAMILTON. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I rise in support of H. Res. 392. I commend the gentleman from Nebraska (Mr. BEREUTER) and the gentleman from California (Mr. BERMAN), the ranking member of the Subcommittee on Asia and the Pacific, for introducing this resolution. It is a very good one. It is carefully drafted. It is balanced, and it certainly is timely.

No country can do more than Japan to help Asia's crisis economies recover. Consistent with its role in the region as the dominant economy, Japan has pledged more than any other country to the multilateral financial packages system for Thailand, Korea, and Indonesia. I would hope that the Japanese government and the people of Japan will note that H. Res. 392 applauds these generous contributions and recognizes the positive economic steps that Japan has undertaken.

The resolution also strongly reaffirms the importance of the U.S.-Japanese relationship. Over the long run, however, export growth and new private investment will be more critical than multilateral aid to economic recovery in Asia. As long as its economy remains stagnant and its financial institutions remain in crisis, Japan cannot be the customer and the investor that Thailand, Korea, and Indonesia need. The United States then will become the region's importer of last resort.

H. Res. 392 calls for Japan to implement policies that will get its economy humming and put its financial system in order. These policy recommendations closely parallel the ones con-

veyed by the administration recently and repeatedly, and many prominent Japanese have urged their government to take these same steps.

As the recent elections in Japan demonstrate, Japanese citizens also see the urgency of reforms.

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We support Japan's efforts to make these important reforms. I think this is a responsible resolution, it conveys an important message, and I urge its adoption.

Mr. Speaker, I reserve the balance of my time.

Mr. BEREUTER. Mr. Speaker, I yield such time as he may consume to the gentleman from Arizona (Mr. KOLBE).

(Mr. KOLBE asked and was given permission to revise and extend his remarks.)

Mr. KOLBE. Mr. Speaker, I thank the gentleman for yielding me this time.

Mr. Speaker, I rise in support of this resolution and commend the gentleman from Nebraska for drafting it. For too long we in the United States have misjudged, the U.S.-Japan relationship. In fact, I think Japan has misjudged the relationship as well. I remember just a few years ago, as I think many in this body remember, U.S.-Japan relations, particularly our trade relations, were very much at the forefront of American political thinking. One could not turn on a television, could not open a newspaper, could not buy a magazine or look at what was the latest on the New York Times best seller list without reading about the coming Japanese century or how America was losing its trade war with Japan. The Japanese economy was the envy of Asia, emulated by its neighbors and held up as a model for economic growth in the 21st century. At that time the Japanese economy was seen as a danger to our own economic prosperity.

How quaint that picture seems today. How almost we wished that that were the case again today. But today it is a vastly different picture. Today we find a Japan that seems to be mired in perpetual economic stagnation. Year after year of a no-growth economy is beginning to take its toll as unemployment continues to rise and credit becomes more difficult to attain. Underlying it all is a massive public debt, estimated by some to be as much as 250 percent of the gross domestic product; over \$600 billion in nonperforming bank loans; corporate liabilities exceeding equity by an average of four to one; and an overvalued property market. Yet most Japanese seem unable or unwilling to acknowledge the extent of the economic crisis or the impact it is having on the rest of us in this globe that we all occupy.

If you walk down the streets of Tokyo today, you do not find a populace in fear for the future. Stores are filled with the latest merchandise, public works projects continue and virtually everywhere you look are the signs of a prosperous and successful so-

ciety. There seems to be little concern for the future, or perhaps an unwillingness to admit it. There seems to be a quiet contentment with the prospects of subpar economic growth into the near future. This, Mr. Speaker, is not and must not be acceptable to the rest of the world, for our futures depend on the Japanese ability to solve their economic problems.

It is time for Japan to recognize its pivotal role in Asia. Japan must confront honestly its own domestic economic problems and assume its proper leadership role in southeast Asia and the rest of Asia. Japan can help pull Asia out of its economic doldrums and help to serve as one of the world's leading engines of economic growth. But it can do so only if the Japanese government and people have the political courage to do that.

This resolution that my colleague has drafted calls upon Japan to continue deregulation of its economy, to open its market to foreign goods as well as adopt policies to strengthen the yen. I fully support these efforts and hope my colleagues will support this important resolution.

Mr. HAMILTON. Mr. Speaker, I yield 4 minutes to the distinguished gentleman from Michigan (Mr. LEVIN), a member of the Committee on Ways and Means.

(Mr. LEVIN ASKED AND WAS GIVEN PERMISSION TO REVISE AND EXTEND HIS REMARKS.)

Mr. LEVIN. Mr. Speaker, I thank the distinguished gentleman for yielding me this time. I am pleased to join my other colleagues here in support of this resolution.

Several months ago, this resolution and one by the gentleman from New York (Mr. HOUGHTON) and myself were introduced in this body. That was before the crisis in Japan reached its present peak and before its recent election. It may well have been that several decades ago Japan may have benefited from its economic policies, its closed, sheltered, highly regulated economy. But increasingly Japan has been paying a heavy price: Its consumers because they were paying prices too high; the subduing of competition, the evolution of Japan in a highly structured way that made it hard for outsiders to enter. Increasingly, also, there was tension that rose and rose between Japan and other countries.

For over 10 years, a number of us have been urging Japan to open up their economic system. We talked about a number of their sectors where there was almost an iron curtain, an iron economic curtain, flat glass, autos and auto parts, film, paper and forest products, telecommunications, insurance, medical equipment and others. Those efforts were often simply given a cold shoulder by the Japanese and often were controversial within this Chamber. But time I think has shown how vital it was for Japan years ago to shift gears from its closed economic system, its system that essentially was

structured like cartels and to move to open markets.

This is really the time for it to de-regulate, to open up. The yen is so weak they do not have to fear a flood of imports from other countries. This is the time for Japan to act. It is not only a matter for the Japanese but for all of Asia and for this country. Secretary Rubin and Larry Summers and others representing the administration have worked diligently, as has our U.S. Trade Representative, trying to impress upon the Japanese that this is the time for courage, for boldness, for action, for the political system of that country to rise to the occasion.

There is a crisis, an economic crisis in Asia today that in some respects is toned down but is in danger of flaming up again if Japan does not act. As a key Asian nation, Japan really must not only look to others but mainly to look to itself and to act. This resolution as the other one I mentioned urges the Japanese to rise to this occasion. Much of the world as well as their own economy will be affected. I rise in support and hope that this time, unlike many other previous occasions, that words from this Congress will be heard in Japan.

Mr. HAMILTON. Mr. Speaker, I have no further requests for time, and I yield back the balance of my time.

Mr. BEREUTER. Mr. Speaker, I yield myself such time as I may consume in closing.

Mr. Speaker, I want to thank, first of all, the distinguished ranking member of the International Relations Committee, the gentleman from Indiana (Mr. HAMILTON) for his excellent remarks, for his support, and also the distinguished gentleman from Michigan, member of the Committee on Ways and Means, for his insightful and very welcomed remarks.

I would like to give just a couple of examples, in closing, about the difficulties we face in market access today in Japan. We heard a lot about the American flat glass industry some time ago. In fact, in 1996, the USTR deputy, Ira Shapiro, testified before the Ways and Means trade subcommittee that United States flat glass exports to Japan had increased 93 percent as a result of USTR's negotiated glass agreement with that country. That is true, but it most certainly does not tell the whole story. That 93 percent increase now gives us a total market share of 1 percent in Japan, a whopping 1 percent of the Japanese market.

Over in the area of financial services, specifically in the insurance sector, Japanese companies control 98 percent of the life business in Japan and 97 percent of the non-life business in the primary insurance sector. USTR recently concluded that Japan has not implemented the deregulation provisions of the bilateral insurance agreement and has taken actions to undermine, in fact, the U.S. market share in the third sector.

Finally, I would mention that since 1991, seven out of 10 new medicines

launched in Europe and the United States remain unavailable in Japan. So we have major problems in pharmaceutical market access in that country.

These are examples of just one of the things that we are urging the Japanese to do, and, that is, to open up their markets, remove nontariff barriers and give access to their consumers to American products and to products from throughout the world.

Mr. Speaker, the chairman of the House International Relations Committee, the distinguished gentleman from New York (Mr. GILMAN), is involved in a traffic delay at this point. He is supportive of the resolution. He wanted to have that support expressed. His entire statement will be made a part of the record as a part of the request of general leave.

Mr. Speaker, I thank my colleagues for their support. I urge unanimous support for the resolution to recognize that Japan is a very important economic player in the world, the second largest economy, to recognize the positive steps they have taken but to also suggest very substantial directions that they need to take in order to make sure that the Asian financial crisis does not worsen.

Mr. GILMAN. Mr. Speaker, I rise in strong support of House Resolution 392 urging Japan to more effectively address its financial and economic problems. I would like to compliment my colleague, the gentleman from Nebraska, Mr. BEREUTER, who serves as Chairman of the Asia and Pacific Subcommittee, for his leadership in sponsoring this resolution and in bringing it to the floor today.

As we begin to debate the status of our trading relationship with China and the impact of the President's recent trip to that country, we should not lose sight of the importance of the United States-Japan Security Alliance and its key role in underpinning the security and stability of the Asia Pacific region.

Especially in light of the Asian financial crisis, which is slowing our economic growth and increasing our trade deficit to record levels, we must ensure that our two countries work together to reduce market barriers, to resolve mounting financial and bad loan problems and to increase trade and investment throughout Asia.

Considered by the Asia and Pacific Subcommittee on May 14, and the full International Relations Committee on June 5, this resolution can serve as a policy blueprint and a road map to better relations when a new Japanese Prime Minister takes office in the very near future.

Acknowledging the key role Japan has played in extending \$19 billion in the form of second line credits to South Korea, Indonesia and Thailand, it asks Japan to more directly help the ailing Asian economies by stimulating its economic growth, reforming its financial sector and taking other similar measures to strengthen the yen.

With United States exports to Japan down some 11 percent in the first 5 months of this year and with the overall trade deficit expected to top \$200 billion for the year, there are mounting concerns that declining wholesale prices indicate that Japan is in the grip of a growing deflationary spiral.

With Japan's overall bad debt burden now estimated at \$250 billion, it is vitally important that the newly established Financial Supervisory Agency take swift and decisive measures to close insolvent institutions and restore confidence in its ailing financial sector.

Accordingly, I look forward to working with my colleagues on the committee, other interested members, and Administration officials in ensuring that the United States and Japan treat our economic relations—and our overall relationship—with the priority they deserve.

Ms. JACKSON-LEE of Texas. Mr. Speaker, I strongly support this measure. We should encourage the continued viability of the Japanese economy not only because Japan represents one of America's economic allies but also because the detrimental impacts of the Japanese economic crisis directly affects both the American and global markets.

The current crisis occurring in Japan is both real and severe. In its June 1998 monthly report, Bank of Japan noted that Japan's economic conditions continue to decline. Production continues to deteriorate. This problem exacerbates the employment and income crisis currently existing. The report also stated that public-sector investment has bottomed out while growth in net exports has peaked as exports to other Asia countries declined. Private consumption likely will not recover in the near future and housing investment continued to decrease.

It is imperative that we strongly urge Japan to resolve its current crisis. By advising Japan to undertake a broader and faster deregulation of its economy, Japan could regain economic stability and would promote long-term growth and foreign investment. Japan must also eliminate its exclusionary, and sometimes discriminatory, business practices, as well as its numerous barriers to imports and foreign investment, to foster global trade and domestic, economic growth.

Moreover, Japan must restructure its banking system by instituting changes such as the closing of insolvent banks and the recapitalization of banks. Disposal of nonperforming bank loans is equally important to Japanese recovery.

We must recognize the strong ties that bind American and Japanese economies and how this relationship affects the global market as a whole. The status quo cannot continue, and without drastic changes to its economic approaches, Japan will no longer participate as a valued actor in international trade. All of the measure's recommendations, as well as the others proposed by this legislation, are needed to return Japan to financial stability.

Mr. BEREUTER. Mr. Speaker, I yield back the balance of my time.

The SPEAKER pro tempore (Mr. KOLBE). The question is on the motion offered by the gentleman from Nebraska (Mr. BEREUTER) that the House suspend the rules and agree to the resolution, House Resolution 392, as amended.

The question was taken.

Mr. BEREUTER. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The SPEAKER pro tempore. Pursuant to clause 5 of rule I and the Chair's prior announcement, further proceedings on this motion will be postponed.

AFFIRMING UNITED STATES COMMITMENT TO TAIWAN

Mr. BEREUTER. Mr. Speaker, I move to suspend the rules and agree to the concurrent resolution (H. Con. Res. 301) affirming the United States commitment to Taiwan.

The Clerk read as follows:

H. CON. RES. 301

Whereas at no time since the establishment of the People's Republic of China on October 1, 1949, has Taiwan been under the control of the People's Republic of China;

Whereas the United States began its long, peaceful, friendly relationship with Taiwan in 1949;

Whereas since the enactment of the Taiwan Relations Act in 1979, the policy of the United States has been based on the expectation that the further relationship between the People's Republic of China and Taiwan would be determined by peaceful means;

Whereas in March 1996, the People's Republic of China held provocative military maneuvers including missile launch exercises in the Taiwan Strait, in an attempt to intimidate the people of Taiwan during their historic, free, and democratic Presidential election;

Whereas officials of the People's Republic of China refuse to renounce the use of force against democratic Taiwan;

Whereas Taiwan has achieved significant political and economic strength as one of the world's premier democracies and as the 19th largest economy in the world;

Whereas Taiwan is the 7th largest trading partner of the United States;

Whereas no agreements exist between the People's Republic of China and Taiwan that determine the future status of Taiwan; and

Whereas the House of Representatives passed a resolution by a vote of 411-0 in June 1998 urging the President to seek, during his recent summit meeting in Beijing, a public renunciation by the People's Republic of China of any use of force, or threat of use of force, against democratic Taiwan: Now, therefore, be it

Resolved by the House of Representatives (the Senate concurring), That Congress—

(1) affirms its longstanding commitment to Taiwan and the people of Taiwan in accordance with the Taiwan Relations Act (Public Law 96-8);

(2) affirms its expectation, consistent with the Taiwan Relations Act, that the future status of Taiwan will be determined by peaceful means, and that the people of both sides of the Taiwan Strait should determine their own future, and considers any effort to determine or influence the future status of Taiwan by other than peaceful means a threat to the peace and security of the Western Pacific region and of grave concern to the United States;

(3) affirms its commitment, consistent with the Taiwan Relations Act, to make available to Taiwan such defense articles and defense services, including appropriate ballistic missile defenses, in such quantities as may be necessary to enable Taiwan to maintain a sufficient self-defense capability;

(4) affirms its commitment, consistent with the Taiwan Relations Act, that only the

President and Congress shall determine the nature and quantity of defense articles and services for Taiwan based solely upon their judgment of the defensive needs of Taiwan;

(5) urges the President, once again, to seek a public renunciation by the People's Republic of China of any use of force, or threat of use of force, against the free people of Taiwan; and

(6) affirms its strong support, in accordance with the spirit of the Taiwan Relations Act, of appropriate membership for Taiwan in international financial institutions and other international organizations.

The SPEAKER pro tempore. Pursuant to the rule, the gentleman from Nebraska (Mr. BEREUTER) and the gentleman from Indiana (Mr. HAMILTON) each will control 20 minutes.

The Chair recognizes the gentleman from Nebraska (Mr. BEREUTER).

Mr. BEREUTER. Mr. Speaker, I yield myself such time as I may consume.

(Mr. BEREUTER asked and was given permission to revise and extend his remarks.)

Mr. BEREUTER. Mr. Speaker, as chairman of the Subcommittee on Asia and the Pacific, I rise in support of H. Con. Res. 301, affirming our commitment to the people and government of Taiwan. This resolution is intended to repair the damage done by President Clinton's comments on Taiwan during the recent U.S.-China summit.

The Subcommittee on Asia and the Pacific held a hearing on U.S.-Taiwan relations on May 20, 1998. At that hearing, administration witnesses offered repeated reassurances that Taiwan's interests would not be sacrificed during the June 1998 summit in Beijing. However, the President's statements in Shanghai regarding U.S. policy in regards to Taiwan, when he expressed what is known as the "three nos," has caused considerable consternation both in Taipei and in this capital. As the foreign power most closely involved in PRC-Taiwan relations, the goal of U.S. policy has centered on easing tensions and striking a proper balance between China and Taiwan. Since 1972, through Republican and Democrat administrations alike, the United States has maintained the "one-China policy." Our policy has been that the United States acknowledges that all Chinese on either side of the Taiwan Strait maintain that there is but one China and that Taiwan is a part of China. And the U.S. consistently has expressed its interest in a peaceful settlement of the Taiwan question by the Chinese themselves.

Mr. Speaker, there is a great difference between this position and the President's statement of June 30, where he said, "We don't support independence for Taiwan, or two Chinas; or one Taiwan, one China."

As we have seen, Beijing has used these comments to increase pressure on Taiwan to begin talks on reunification. Beijing hard-liners may again choose to test our commitment that Taiwan's future be determined through peaceful means and take steps which may lead us into war.

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As you are aware, Mr. Speaker, the United States and China came dangerously close to war over Taiwan a bit more than 2 years ago, in 1996, when the U.S. found it necessary to send aircraft carrier task forces, two of them, to the region.

In May 1996 the first fully democratic presidential elections ever held by a Chinese society took place on the island of Taiwan. Today, the United States and Taiwan share a vibrant mutually beneficial trade relationship. Almost 20 years after the enactment of the Taiwan Relations Act, our unofficial relations with the people of Taiwan are stronger and more robust than ever.

This Member would congratulate the gentleman from Texas (Mr. DELAY), the distinguished majority whip, for offering this legislation reaffirming America's willingness to stand by its commitment to the people of Taiwan. Working together, the gentleman has made it possible for the resolution before this body today to be a strong affirmation of long-standing U.S. policy and the "one China policy."

This Member wants to express his deep appreciation for the sponsor's effort to work with this Member to ensure the broadest possible support for H. Con. Res. 301. I urge my colleagues to support passage of H. Con. Res. 301.

Mr. Speaker, I ask unanimous consent that I be permitted to yield the balance of our time to the gentleman from Kansas (Mr. SNOWBARGER) and that he be permitted to yield time.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Nebraska?

There was no objection.

Mr. BEREUTER. Mr. Speaker, I reserve the balance of my time.

Mr. HAMILTON. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I rise in support of H. Con. Res. 301. The resolution is, I think, in many respects a constructive restatement of our long-standing commitment to the well-being of the Taiwanese people.

I want to commend the resolution's author, the gentleman from Texas (Mr. DELAY), for his willingness to take the views of others into account during the drafting process. I want, also, to thank the gentleman from Nebraska (Mr. BEREUTER) for his work and his cooperation in drafting the resolution.

The resolution, among other things, affirms the U.S. commitment to Taiwan without going beyond current U.S. policy or forcing the President to do anything. The resolution restates what has been U.S. policy since the adoption of the Taiwan Relations Act 19 years ago. It does not change or modify that policy. Its sole purpose is to ensure that there is no misunderstanding here or abroad regarding the extent of our support for the people of Taiwan.

I do believe that we would send an even clearer message if the wording of the resolution tracked in every respect